

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY U-338-E, for authority to issue, sell, and deliver one or more series of Debt Securities and to guarantee the obligations of others in respect of the issuance of Debt Securities, the total aggregate principal amount of such indebtedness and guarantees not to exceed \$1,586,840,000; to execute and deliver one or more indentures; to sell, lease, assign, mortgage, or otherwise dispose of or encumber utility property; to issue, sell and deliver in one or more series, an aggregate amount not to exceed \$250,000,000 par or stated value of Cumulative Preferred Stock \$25 Par Value, Cumulative Preferred Stock --\$100 Par Value, Preference Stock or any combination thereof and for an exemption from the Commission's Competitive Bidding Rule.

Application 00-07-006
(Petition for Modification
Filed January 25, 2001)

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY U-338-E, for an Order to issue Debt Securities, and/or Guarantee the Debt Securities of an Edison affiliate, to finance its Fuel Oil, Nuclear Fuel, and Coal Inventories in an aggregate principal amount not to exceed \$900,000,000.

Application 88-03-024
(Petition for Modification
Filed January 25, 2001)

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY U-338-E, for an order increasing the currently authorized amount of variable interest rate debt instruments, or guarantees of the debt securities of another, to finance undercollections in its Regulatory Balancing Accounts, from \$700,000,000 to an aggregate principal amount not to exceed \$1,200,000,000.

Application 00-07-048
(Petition for Modification
Filed January 25, 2001)

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY U-338-E, for Authority to issue, sell, and deliver one or more series of Debt Securities and to guarantee the obligations of others in respect of the issuance of Debt Securities, the total aggregate principal amount of such indebtedness and guarantees not to exceed \$800,000,000; to execute and deliver one or more indentures; to sell, lease, assign, mortgage, or otherwise dispose of or encumber utility property; and for an exemption from the Commission's Competitive Bidding Rule.

Application 97-11-032
(Petition for Modification
Filed January 25, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING REQUIRING
SOUTHERN CALIFORNIA EDISON TO UPDATE THE
RECORD IN THE ABOVE PROCEEDINGS**

This ruling requires Southern California Edison Company (Edison) to file an amendment to its petition to modify Decision (D.) 88-07-069, D.98-01-104, D.00-10-040, and D.00-10-063. In its petition for modification, Edison seeks authority for exemption from the Competitive Bidding Rule for applications for which it sought financing authority. The purpose of this amendment is to update the record in these proceedings to determine whether, and to what extent, Edison should be exempted from the Competitive Bidding Rule.

I. Background

On January 25, 2001, Edison filed a Petition for Modification of D.88-07-069, D.98-02-104, D.00-10-040, and D. 00-10-063. Edison sought authority for exemption of the Competitive Bidding Rule for debt issues authorized in the

above decisions with respect to the issuance of domestic underwriting public offerings of fixed interest rate bonds and debentures exceeding \$200 million in principal amount and to use certain bidding procedures for fixed-rate debt securities with a principal amount of \$200 million or less.

At about the time of the filing of this petition for modification the price for wholesale electricity soared to levels far above the rates that Edison could charge its retail customers.

A confluence of circumstances eventually caused the electricity crisis to subside. In particular, the Commission raised retail electric rates, and the price for wholesale power dropped due to falling natural gas prices, falling demand caused by unprecedented conservation, and the imposition of wholesale price mitigation measures by the Federal Energy Regulatory Commission. As a result, Edison's retail rates began to produce revenues in excess of Edison's costs, thereby creating an opportunity to pay off Edison's procurement-related obligations.

II. Discussion

As described above, there has been a sea change in circumstances since the issuance of D.88-07-069, D.98-01-104, D.00-10-040, and D.00-10-063.

Consequently, in order to determine whether to grant Edison's petition to modify these decisions, it is necessary to assess whether, and to what extent, Edison still has a need to be exempted from the Competitive Bidding Rule. Therefore, to provide the Commission with an adequate record to decide Edison's petition, this ruling requires Edison to file and serve an amendment to its petition that contains the information set forth below. Failure by Edison to provide any of the information may be deemed good cause to dismiss its petition without prejudice.

1. Please provide the amount and types of outstanding debt issued pursuant to D.88-07-069, D.98-01-104, D.00-10-040, and D.00-10-063.
2. Edison has authority under D.88-07-069, D.98-10-104, D.00-10-040, and D.00-10-063 to issue debt. Does Edison still need authority to be exempted for the Competitive Bidding Rule? If so, please explain why.
3. Please explain whether Edison intends to use the debt authorized by these decisions for any purpose other than indicated in the above decisions.
4. Please provide any other information that Edison believes is relevant to the Commission's consideration of Edison's petition to modify D.88-07-069, D.98-02-104, D.00-10-040, and D.00-10-063.

Edison shall file and serve the amendment to its petition required by this ruling no later January 28, 2002. Edison shall also provide an electronic copy of the amendment to the assigned Administrative Law Judge (ALJ) via e-mail (dje@cpuc.ca.gov) in Microsoft Word format. Responses to the amendment shall be filed and served no later than five business days after notice of the amendment appears in the Commission's Daily Calendar.

All communications with the assigned ALJ regarding this ruling or any other matter shall be conducted through paper mail or electronic mail (dje@cpuc.ca.gov) and not by telephone.

IT IS RULED that:

1. Southern California Edison Company (Edison) shall file and serve an amendment to its petition to modify Decision (D.) 88-07-069, D.98-01-104, D.00-10-040 and D.00-10-063 that contains the information specified in the body of this ruling. Edison shall file the amendment no later than January 28, 2002.
2. Responses to the amendment shall be filed and served no later than five business days after notice of the amendment appears in the Commission's Daily Calendar.

3. Edison shall provide an electronic copy of its amendment to the assigned Administrative Law Judge (ALJ) via e-mail (dje@cpuc.ca.gov) in Microsoft Word format.

4. Failure by Edison to provide any of the information required by this ruling may be deemed good cause to dismiss its petition without prejudice.

5. All communications with the assigned ALJ regarding this ruling or any other matter shall be conducted through paper mail or electronic mail (dje@cpuc.ca.gov) and not by telephone.

Dated January 8, 2002, at San Francisco, California.

/s/ DEAN J. EVANS

Dean J. Evans
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Southern California Edison to Update the Record in the above Proceedings on all parties of record in this proceeding or their attorneys of record.

Dated January 8, 2002, at San Francisco, California.

/s/ JACQUELINE GORZOCH
Jacqueline Gorzoch

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.

A.00-07-006, et al DJE/jgo